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RECORDATION NO. 26422
JUN 28 06 1:42 PM
SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

June 28, 2006

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Lease Agreement, dated as of June 14, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Mitsui Rail Capital, LLC
5 Old Orchard Road, Suite 505
Skokie, IL 60077

Lessee: Tennessee Valley Authority
1101 Market Street
Chattanooga, TN 37402

Mr. Vernon A. Williams
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A description of the railroad equipment covered by the enclosed document is:

135 BethGon railcars: MBKX 301159 – MBKX 301293.

A short summary of the document to appear in the index is:

Memorandum of Lease Agreement.

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/sem
Enclosures

**MEMORANDUM OF LEASE AGREEMENT
BETWEEN
MITSUI RAIL CAPITAL, LLC
("LESSOR")**

AND

**TENNESSEE VALLEY AUTHORITY
("LESSEE")**

JUNE 14, 2006

RECORDATION NO. 26422 FILED

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SURFACE TRANSPORTATION BOARD

Memorandum of a Lease Agreement made and entered into as of **June 14, 2006** by and between Mitsui Rail Capital, LLC, a Delaware limited liability company, ("**Lessor**") and Tennessee Valley Authority, a corporation organized and existing under the laws of the United States of America ("**Lessee**").

WITNESSETH:

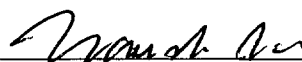
1. Lessor has agreed to furnish to Lessee, and Lessee has agreed to lease from Lessor 135 FreightCar America Built Aluminum BethGon II Railcars bearing marks and numbers as follows:

MBKX 301159-301293 (both inclusive)

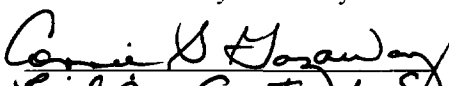
2. The Lease Agreement shall be effective as of the date first set forth hereinabove and shall be subject to the lease term, as described in the Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

Lessor: Mitsui Rail Capital, LLC

By: 
Title: President
Date: 6/22/06

Lessee: Tennessee Valley Authority

By: 
Title: Rail Car Contract Specialist
Date: June 15, 2006

STATE OF ILLINOIS

COUNTY OF COOK

On this 22nd day of JUNE, 2006, before me personally appeared Yasushi Imai, to me personally known, who being by me duly sworn, says that he is the President of Mitsui Rail Capital, LLC that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.



Tondalaya Richardson
NOTARY PUBLIC

My commission expires: 11-1-2009

STATE OF Tennessee

COUNTY OF Hamilton

On this 19th day of June, 2006, before me personally appeared Kenzie S. Gazaway to me personally known, who being by me duly sworn, says that he is the Railcar Control of Specialist Tennessee Valley Authority that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Cherry P. Griffith
NOTARY PUBLIC

My commission expires Oct. 17, 2007

